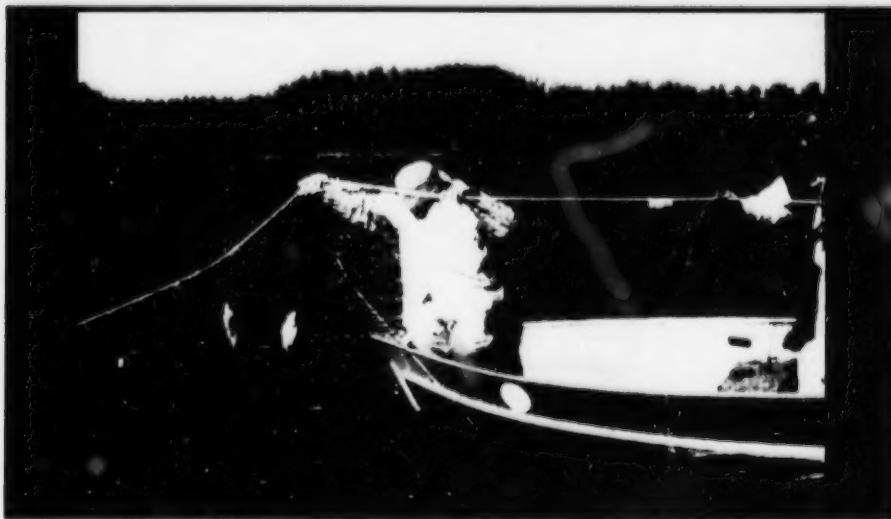


Options to Revitalize Commercial Fishing in Saskatchewan

The Year 2000 & Beyond



A Preliminary Response to the Trimension Study
***"Examination of the Commercial Fishing Industry
in Saskatchewan"***

January 2000

Commercial Fishermen:

This document describes 21 options that, with the support of stakeholders, can be implemented to help improve the commercial fishing industry in Saskatchewan. The options include both short-term and long-term initiatives in the areas of marketing and business planning, new technology, infrastructure, communications and planning, fish stocks and training.

If you have comments on these or other ideas to help guide the future of the commercial fishing industry, please send them to us before March 17, 2000. We look forward to your advice.

Contact:

Tom Maher
 Fish and Wildlife Branch
 Saskatchewan Environment and
 Resource Management
 Room 424, 3211 Albert Street
 Regina, SK S4S 5W6
 Telephone: 306-787-7706

Or

Torence Tornquist
 Economic Community Development
 Saskatchewan Northern Affairs
 1328 La Ronge Avenue
 P.O. Box 5000
 La Ronge, SK S0J 1L0
 Telephone: 306-425-4264

Table of Contents

	Page
1. Review of the Trimension Study <i>"Examination of the Commercial Fishing Industry in Saskatchewan"</i> - November, 1999	2
2. State of the Resource	7
3. Partners	11
4. A Strategy for the Future	12
5. Introduction to Options	17
Communications and Planning Tools	18
Business Planning, Promotion and Marketing	19
New Technology	20
Infrastructure	21
Training	21
Fish Resource Allocation	23

Review of the Trimension Study: *"Examination of the Commercial Fishing Industry in Saskatchewan"* - November, 1999

Introduction:

In May of 1999 the Saskatchewan Office of Northern Affairs (SNA) with the support of Saskatchewan Environment and Resource Management (SERM) commissioned a study of the commercial fishing industry by a team of two consulting firms: Trimension Group (led by Larry Goodfellow) from Saskatoon and Spruce River Research (led by Ray Funk) from Spruce Home.

The Trimension study *"Examination of the Commercial Fishing Industry in Saskatchewan"* has been completed and presented to the Honourable Keith Goulet, Minister of Northern Affairs, and to the Honourable Buckley Belanger, Minister of Environment and Resource Management. A commercial fishing conference is being held in La Ronge, January 18-20, 2000 to discuss the findings of the report and directions for the future. Both ministers will attend.

The purpose of this section is to provide an overview analysis of the findings and recommendations of the Trimension study, based on review by SERM and SNA officials.

The Saskatchewan Commercial Fishermen's Cooperative Federation, Ltd (SCFCFL), a key supporter of this project, also has the report under review.

Background:

A brief history of the commercial fishing industry in Saskatchewan is presented in the next section of this paper, entitled 'State of the Resource'.

The Trimension study was commissioned to identify options for improving the operational efficiency of the commercial fishing industry, to identify constraints, and to provide background for informed discussions among participants in the industry including the federal and provincial governments and the Freshwater Fish Marketing Corporation (FFMC).

Key Findings of the Trimension Study:

- a substantial proportion of the available commercial quota is not being harvested;
- communications between FFMC and the fishermen are poor;
- the federal government does not seem to pay much attention to FFMC;
- fishermen as a group are aging and there are few young entrants into the industry;
- rough fish has minimal use;
- the Besnard Lake aquaculture project in northern Saskatchewan showed promise;
- fish brokers and distributors are happy with FFMC; and
- there are market opportunities for additional fresh fish sales.

Recommendations of the Trimension Study:

1. *Privatize the FFMC;*
2. *Develop fish processing capacity in Saskatchewan, to work either within or outside of the FFMC framework;*
3. *Study potential for direct shipping of fresh fish to market from Saskatchewan points;*
4. *Insist to FFMC that quality chargebacks be applied to packing agencies and not to fishermen;*
5. *SCFCFL and other industry representatives take an expanded role in fisheries management, including operating as an agent for the FFMC, developing processing plants, and allocating supply to markets;*
6. *Local commercial fishing cooperatives should be supported and reinvigorated;*
7. *Overhaul the fisheries management system to ensure sustainability, co-operative management, and community benefits.*
8. *Address problem of unused quota;*
9. *Prepare a business plan focussed on optimizing utilization of fresh and rough fish;*
10. *In conjunction with the federal government, renegotiate FFMC's role; and*
11. *Implement a sectoral skill development and training plan.*

Some Comments on the Findings of the Trimension Study:

The Trimension Study provides a good overview of the history and background of the commercial fishery. The authors are correct in their assessment that there is a considerable amount of unused commercial quota which is not being harvested.

The report estimates that annual commercial production can be increased from the current 3 million kg to a level of 7-10 million kg. SERM believes that these estimates are very optimistic. However, increased production within existing quotas is available, particularly for whitefish and suckers. An analysis of the reasons that some quotas are not being harvested and strategies to better capitalize on such unused volumes would be a valuable exercise.

The Trimension analysis of the sport fishery contributes interesting information regarding the level of economic activity which can be derived from a relatively small harvest of fish, if it takes place through the tourism industry. This could be built upon to investigate additional opportunities for northerners to participate in the tourism industry and for the commercial fishing and outfitting sectors to complement each other's operations.

The report suggests that the amount of unused quota increased from 1995 to 1998. In fact, the variances in unused quota are mainly a result of a change in the method by which quotas were listed. The consultants were not aware of this change in reporting procedure. However, the issue of missed economic opportunity due to inadequately harvesting available fish must be addressed.

Analysis of the Trimension Study Recommendations:

1. Privatize the FFMC:

Section 13.4 of the report finds that centralized marketing as provided by the FFMC is the preferred system, and that brokers and distributors are happy with the job FFMC is doing and the quality of the product. While the recommendation of privatizing the FFMC, or developing it into a producer-owned marketing organization would maintain the advantage of a centralized marketing system, further analysis is required of the benefits to be achieved by privatizing.

If recommendation #1 on privatizing the FFMC is accepted, then recommendations regarding the makeup of the Board of Directors or the Fishermen's Advisory Committee become somewhat moot. Nonetheless, SERM and SNA agree with the consultants that representation on the Board of Directors should be diverse, containing members with backgrounds in business such as the food industry, marketing, trucking or banking, as well as fishermen. Government also believes that the plan to change from an appointed to an elected Advisory Committee is clearly proving to be unworkable, and that the Minister of Fisheries and Oceans should consider revising this plan. The goal to have an elected Advisory Committee (to ensure that working fishermen have some say in the federal appointments to the Committee) could be achieved through internal federal policy changes.

2. Develop Saskatchewan Fish Processing Capacity:

The economic viability of decentralized processing facilities needs to be assessed. An independent analysis of this option would be worthwhile, including a comparison to the experience of coastal fisheries and a review of the history of decentralized processing in the early FFMC years. Further information is required on how marketing would take place. A cost-benefit analysis of the effects of decentralized processing on local employment levels and returns to fishermen is essential.

3. Direct Shipping of Fresh Fish:

SERM and SNA agree that further analysis of this option is warranted. An analysis of the impact of splitting loads of fish between fresh sale and processing requirements, study of shipping routes and freight rates to major markets, and comparison with the existing centralized processing, distribution and marketing system would be required.

4. Chargebacks:

"Chargebacks" are penalties charged to packing agents by FFMC for accepting poor quality fish or for improper grading or packing. They are a necessary mechanism for maintaining quality. The Trimension report indicates that in some cases chargebacks are being applied to the fishermen by the agents, although the extent of this situation is not described. SERM and SNA agree that chargebacks should be absorbed by agents, not fishermen. More information on the extent of this problem would be valuable.

5. Expanded Role for the Saskatchewan Commercial Fishermen's Cooperative Federation Ltd.:

SERM and SNA recognize the SCFCFL as the only province-wide commercial fishing organization, and believe that support for an expanded role of the SCFCFL is necessary. That support should come from the fishermen, to ensure that two way communication between the fishermen and the SCFCFL is enhanced. A business plan is required.

Regarding establishment of FFMC agency status and catch distribution responsibilities for the SCFCFL, more clarification on the actual workings of such an arrangement is required. Key questions on whether there would be efficiency gains, additional profits and greater benefits for Saskatchewan fishermen from a role for the SCFCFL in directing the distribution of Saskatchewan fish to markets (on FFMC's behalf) would have to be addressed.

6. Local Commercial Fishermen Cooperatives:

SERM and SNA agree that local co-ops are the principal unit for co-operative management of major commercial fisheries, and are principal players in lake co-operative management committees. Clearly the co-op system needs to be supported into the future.

7. Overhaul Fisheries Management to Emphasize Sustainability, Co-operative Management and Community Benefits:

SERM supports sustainable ecosystem management and has invested significant financial and staff resources toward co-operative management in the last ten years. It is expected that, over time, the process will increasingly consider community benefits. With respect to commercial fisheries management, Conservation Officers, regional biologists, and commercial fishermen have been working together to set season dates, eligibility requirements, closed areas, and mesh size limits for a number of years. We look for such co-operative planning to continue.

8. Address Problem of Unused Quota:

SERM and SNA agree that this problem needs to be examined. However, the reasons for unused quota vary from fishery to fishery and need to be dealt with on a case-by-case basis at the local level. Often the situation can be resolved through a co-ordinated planning and fishing effort.

9. A Business Plan Regarding Fresh and Rough Fish:

SERM and SNA agree with this recommendation. As mentioned above, an analysis of direct fresh fish sales would be worthwhile; it should include further clarification regarding opportunities for marketing rough fish or underutilized species since the report also states that "rough fish has minimal use".

10. Federal and Provincial Re-negotiation of the FFMC Role:

SNA and SERM agree that DFO should take more interest in the role of the FFMC and that evaluation of that role is necessary. With the support of the SCFCFL and consensus of its members and other commercial fishermen, provincial agencies are willing to begin working with their federal colleagues to formalize a new relationship with the FFMC to replace the 1981 and 1986 MOUs, to take into account the evolving market, updated fisheries management requirements, and changing community needs and priorities.

11. Implement a Sectoral Skill Development Training Plan:

SERM and SNA see considerable promise in this regard. The report also mentions the need to investigate new technology including the increased use of trapnets, to improve the efficiency and precision of fish harvesting in the future.

Training should focus on northern youth, and should contribute to renewing information necessary to achieve fisheries management goals, including sustainability of the resource, equitable allocations, and recovery of depleted populations. Through formal and informal training activities and on-the-job experience, northern young people can attain skills which will assist them in obtaining employment in a variety of fields pertinent to northern resources.

State of the Resource

Saskatchewan is blessed with an extensive collection of waterbodies with healthy fish populations. In northern Saskatchewan the most commonly pursued large species are whitefish, northern pike, walleye and lake trout. Also of interest are suckers (mullet) and burbot. At one time sturgeon were an important commercial species in eastern stretches of the Saskatchewan and Churchill River systems. Work continues on population recovery plans.

A 1986 report on the fish resource of Saskatchewan, by the DPA Group of Vancouver, estimated the available supply of pike, walleye, lake trout and whitefish to be about 15 million kg per year from all waters, including many remote northern lakes not currently being fished. The report estimated at that time the sport and commercial harvest (using the 1980 fishing year data) at 9 million kg, with an additional 1.7 million kg going to subsistence fishing.

The DPA study succinctly described Saskatchewan's approach to fisheries allocation:

"Multiple use of Saskatchewan Lakes by commercial, sport, and subsistence food fishermen is the cornerstone of fisheries policy in Saskatchewan." (DPA Sectoral Overview of the Saskatchewan Fishery, 1986)

The DPA study compared sport and commercial harvests with the availability of fish from each of the sport fishing management zones: Northern, Central, and Southern. The northern zone (roughly north of a line from La Loche to Southend) was found to have a surplus of supply over harvest, except for lake trout. However, the additional supply was from remote lakes. Many of the accessible northern lakes were then being harvested at, or near, the sustainable supply limit.

The central zone, between the northern zone and a line from Pierceland to Prince Albert to the Pas, was found to have a significant overharvest of walleye and pike. This management zone is currently the most important to the sport and commercial fishery.

The southern zone, south of Prince Albert, supports a significant sport fishery but very limited commercial activity. Commercial fisheries in this zone are short term fisheries for whitefish, with no gamefish quotas.

In 1999, there were about 900 lakes with designated commercial fishing quotas. Of these, 250 or so are fished each year, including all major, accessible lakes in the central and northern zones .

There are 314 fishing outfitters with base camps on 295 lakes and outcamps on 185 lakes and 655 day use lakes. Because of overlap, this represents outfitter use of about 1,000 lakes, many of which also support commercial and subsistence fisheries.

There are 195,000 licensed recreational anglers using the Saskatchewan fish resource, including residents, non-residents, seniors, as well as an estimated 60,000 unlicensed youth. With 85% of the angling activity taking place south of La Ronge, the harvest pressure on central zone lakes is

significant. Many of these anglers do not use the services of an outfitter in pursuing their activity.

The subsistence harvest, which is not well documented, was estimated in 1986 by the DPA Group to be significant in each of the northern, central and southern zones, with about 40% occurring in the central zone, adding to the overall excess of harvest being experienced in those fisheries.

Overall, most accessible fisheries are being harvested at or near capacity for the major sport species, by all users. Whitefish harvests, however, are below the sustainable yield; rough fish harvests could be increased as well.

Lakes vary widely with respect to productivity, depending on latitude, water chemistry, depth, water exchange, historical harvest, and other factors. The best biological information available is used in the determination of allowable catches, but often the amount of information is limited, which increases controversy regarding the accuracy of quotas and allocations.

Saskatchewan has a provincial Fish Culture Station at Fort Qu'Appelle, in existence for nearly ninety years, which produces a variety of fish species for stocking in Saskatchewan lakes. The Fish Culture Station operates under the Fish and Wildlife Development Fund budget, which comes from the sale of angling licences. At one time fish hatcheries were seen as a panacea, to solve all fish supply programs. Over the years fisheries management experience has shown that there are some activities which hatcheries do well and some which are not effective.

Stocking of various trout species into "put-and-take" fisheries provides a lot of fishing opportunity at relatively little cost. Similarly, stocking of pike, walleye, or whitefish fry into lakes with no natural reproduction or which have been subject to winterkill can maintain or rehabilitate fish populations. Ecologically, in lakes with healthy fish populations, the benefits of natural reproduction outweigh benefits experienced to date with artificial stocking, especially on large water bodies with substantial harvesting pressure.

Overview of the Saskatchewan Commercial Fishing Industry:

History:

- the industry began in 1885 with fisheries on the Qu'Appelle Lakes; expanded northward to Prince Albert by 1900; Buffalo Narrows, La Ronge, Montreal Lakes by 1920; Reindeer Lake by 1936; and Wollaston Lake in 1946;
- filleting/freezing plants built throughout N. Saskatchewan in 1930s and 40s;
- Co-op Fisheries Ltd., producer-owned processing and marketing organization, established in 1958 from a former Provincial Crown Corporation, the Saskatchewan Fish Marketing Service. About 30 commercial fishing co-operatives were members at its peak;
- Saskatchewan commercial fish production peaks at 7 million kg, 1963;

- Federal Royal Commission recommends establishment of a Fish Marketing Board for marketing of all freshwater commercial fish; 1965;
- establishment of Freshwater Fish Marketing Corporation (FFMC), a Federal Crown Corporation to market fish from Manitoba, Saskatchewan, Alberta, the NWT, and part of Ontario; 1969;
- Co-op Fisheries and private operators such as Waite Fisheries operate processing plants on allowance basis and lose money. Co-op Fisheries dissolves about 1980;
- FFMC centralizes processing activities to Winnipeg; 1973 - 1994;
- Saskatchewan (and Alberta) institute regulations for the licencing of Special Fish Dealers, 1985;
- Regulations require Special Dealers to have processing plants and enable them to buy fish from commercial fishermen and to process and sell it to consumers, retailers, and wholesalers inside Saskatchewan.

Background to the Current Situation:

- since the institution of FFMC as the sole marketing agency for Saskatchewan fish, there have been questions/criticisms of the marketing performance;
- Co-op Fisheries Ltd. became redundant as a result of FFMC and ceased operations. The current umbrella organization for 25 northern commercial fisheries co-ops, the Saskatchewan Commercial Fishermen's Co-operative Federation Ltd (SCFCFL), developed from Co-op Fisheries Ltd;
- all remote processing plants which used to handle products for FFMC have been closed and processing of fish has been centralized to the FFMC plant in Winnipeg. Saskatchewan has lost all fish processing capacity and associated employment;
- a number of Special Fish Dealers, now known in legislation as Fish Processors, have been licenced over the past 15 years:
 - two of these dealers operate year-round processing plants (for sale in Saskatchewan) and buy from fishermen in general;
 - two dealers operate as commercial fishermen and process their own catch;
 - one dealer has a company which imports, processes and markets ocean and freshwater fish from a variety of sources, and also buys some Saskatchewan commercial fish from fishermen or other Fish Processors;
- the Special Dealer/Fish Processor program was developed to provide alternative sales opportunities for commercial fishermen and to increase the availability of Saskatchewan commercial fish, particularly in retail stores and restaurants, within the province.

Current Situation:

- annual production totals about 3 million kg of whitefish, pike, walleye, lake trout, suckers (mullet), and a number of minor species;
- 500 - 600 active commercial fishermen in northern Saskatchewan, 90% are of aboriginal ancestry. Employ about 1,000 helpers. Fish on 250 lakes;

- 12 packing stations operated by commercial fishing cooperatives or private individuals acting as agents for FFMC. Fish is weighed, graded by species and size, packed in ice and shipped to Winnipeg;
- there is a clear need for infrastructure improvements, since many packing stations are old and require repair. The last major project to improve the packing plant infrastructure was a co-operative venture from 1987 - 1991, led by the SCFCFL with assistance from FFMC, local commercial fishing co-operatives, fishing communities and band councils; the project received \$135,000 in NEDSA grant funding and used it to perform approximately \$500,000 worth of work
- total direct value of industry in Saskatchewan is \$5.2 million, mainly in remote northern communities with limited alternative employment opportunities including: payments to fishermen of \$4 million, payments to FFMC agents of \$700,000 and to freight companies of \$500,000;
- SCFCFL would like to see the FFMC marketing monopoly relaxed to allow for Saskatchewan based marketing and processing of fish;
- FFMC plant in Winnipeg currently operates at 40% of capacity on an annual basis, but operates at or near maximum capacity in peak production periods;
- there is a considerable amount of unused commercial quota available, particularly for whitefish, which could be harvested with different technology, better business planning, or additional processing opportunities
- Special Dealers (fish processors) within Saskatchewan process about 100,000 kg of fish annually worth about \$2 - 300,000;
- in May 1999, the Department of Northern Affairs commissioned a study by a team of consultants, Trimension Group and Spruce River Research, to evaluate the commercial fishery in Saskatchewan and recommend ways to improve the industry; and
- Saskatchewan Northern Affairs and Saskatchewan Environment and Resource Management have examined the report of the consulting group and have identified the following options as conforming to the recommendations of the report and most likely to result in improvements to the commercial fishing industry.

Partners

Industry Organizations:

- Saskatchewan Commercial Fishermen's Co-operative Federation Ltd. (SCFCFL)
- Freshwater Fish Marketing Corp. (FFMC)
- Saskatchewan Food Processors Association (SFPA)

Aboriginal Organizations:

- Federation of Saskatchewan Indian Nations (FSIN)
- Metis Nation of Saskatchewan (MNS)
- Prince Albert Grand Council (PAGC)
- Meadow Lake Tribal Council (MLTC)

Federal Organizations:

- Indian & Northern Affairs Canada (INAC)
- Western Economic Diversification (WED)
- Aboriginal Business Canada (ABC)
- Fisheries and Oceans Canada (DFO)

Provincial Organizations:

- Saskatchewan Environment & Resource Management (SERM)
- Saskatchewan Northern Affairs (SNA)
- Saskatchewan Post-Secondary Education & Skills Training (PSEST)
- Saskatchewan Agriculture & Food (SAF)
- Saskatchewan Economic & Co-operative Development (SECD)
- Saskatchewan Research Council (SRC)
- Saskatchewan Intergovernmental & Aboriginal Affairs (IAA)

A Strategy for the Future

Background

It is clear from a review of the November 1999 report, *Examination of the Commercial Fishing Industry in Saskatchewan*, that in order to realize the optimum social and economic benefit from the commercial fishing industry in the province, it will be necessary to review current government and non-government policies and programs and, in some cases, redefine their intent and application. Such action will facilitate the development and growth of a more vibrant and viable commercial fishing industry, based on the principles of sustainable ecosystem management, and will demonstrate respect for and cooperation amongst the users of this important resource.

Throughout the report, a number of significant recommendations address numerous diverse and wide-ranging aspects of the commercial fishing industry in Saskatchewan.

Some of the most significant recommendations deal with the future relationship between Saskatchewan, its commercial fishermen and the Freshwater Fish Marketing Corporation - the federally legislated crown corporation charged with essentially, an exclusive mandate to process and market freshwater fish captured in Saskatchewan, Manitoba, Alberta, the Northwest Territories and a small part of northwestern Ontario. The recommendations range from one that advocates the complete privatization of all FFMC activities to those that propose specific re-definition of the FFMC, its role, mandate, structure, operations, and monopoly position with regards to marketing.

Considerations in Strategy Development

Commercial fishing is a primary production industry. As such, it is completely dependent on the market place (i.e. there is no use harvesting a product that nobody wants or will buy). In the case of commercial fishing, this is further complicated by the fact that it is a perishable commodity and requires some level of processing before it can be sold to the consumer. It is important to note that the amount of processing has a direct bearing on the value of the fish in the market place. In addition, the extent to which a fish can be processed at or near the point of capture has a significant effect on the time it takes to get fish to market which, in turn, impacts the over-all economic return to the fisherman.

Current Situation in Northern Saskatchewan

Some of the most significant issues identified in the report can be summarized as follows:

Freshwater Fish Marketing Corporation (FFMC):

- There is a perception that the FFMC is not operated in a manner that maximizes the potential benefit to the commercial fishermen of Saskatchewan.
- A number of the past commitments made by the FFMC to Saskatchewan have not been realized. The most often cited examples of this are a 1981 and 1986 commitment by the FFMC to provide for increased fish processing within Saskatchewan, a commitment by the FFMC to establish a processing facility on the west side of northern Saskatchewan and a more recent commitment to establish an effective Advisory Committee with the majority of committee members being active commercial fishermen.
- The unilateral decision by the FFMC to no longer act as a credit agency for commercial fishermen.

The SCFCFL and other commercial fishermen have concerns with the FFMC in relation to a number of other issues as well, including:

- species requirements;
- transportation issues (costs, transportation subsidies, frequency of pick-up, quality control during shipping);
- charge back policy;
- cross docking;
- price being paid for fish;
- communications;
- access to credit; and
- representation by active fishermen on the Board of Directors .

Commercial fishermen in Saskatchewan often find themselves in conflict with outfitters, anglers, and cottager associations. Primarily, this is related to:

- harvest limits/quotas and seasonal restrictions.

Within Saskatchewan, there currently is:

- very limited processing of Saskatchewan caught fish therefore few additional jobs ;
- limited amounts of "coarse" species or non-FFMC purchased species being processed or marketed;
- little effective marketing of northern captured fish to southern Saskatchewan markets;
- minimal niche/or specialty product processing or marketing;
- no significant value-added processing of fish captured by commercial fishermen;
- no attempt to co-market fish with other northern grown edibles such as wild rice or mushrooms; and
- little diversity within the industry.

Any effort directed at developing an effective strategy to "grow" a sustainable and viable commercial fishing industry in Saskatchewan must begin to address these significant issues. As well, such effort must include the concurrent investigation of some additional and/or related issues identified later in this section.

A draft strategy has been developed to guide the future activities of the Government of Saskatchewan, in partnership with the commercial fishermen of the province, in developing a revitalization plan for Saskatchewan's commercial fishing industry.

It must be stressed that, at this point, the draft strategy has been developed based only on a review of the November, 1999 report entitled *Examination of the Commercial Fishing Industry in Saskatchewan* and various legislation, regulations and policies currently being applied in Saskatchewan. The draft strategy has not yet had the benefit of discussion or input from individual commercial fishermen, the Saskatchewan Commercial Fishermen's Co-operative Federation Ltd., the Freshwater Fish Marketing Corporation or any other non-governmental stakeholders.

Draft Strategy for Revitalization of the Commercial Fishing Industry

Goal: *To facilitate the development and growth of a more vibrant and viable commercial fishing industry in Saskatchewan that is based on the principles of sustainable ecosystem management and respect for and co-operation amongst all users of the resource.*

Development of an effective strategy to "grow" a sustainable and viable commercial fishing industry in Saskatchewan must begin with a detailed review of existing and potential markets for fish produced within the province and a concurrent investigation of additional and related issues. These can be summarized as follows:

Marketing

- 1) Review existing markets and marketing structures to optimize the benefit to Saskatchewan fishermen.
 - Assess Saskatchewan's current relationship with the Freshwater Fish Marketing Corporation (FFMC) (*see Communications and Planning Tools*)
 - Assess relationship restructuring options with the FFMC if required. (*see Communications and Planning Tools*)
 - Develop a strategy to increase the marketing and sales of commercially harvested fish from Saskatchewan in Saskatchewan (*Buy Saskatchewan* initiative) (*see Business Planning, Promotion and Marketing*)
- 2) Investigate and assess the potential of new markets and currently under-utilized species. (*see New Technology*)
 - Investigate the feasibility of processing FFMC species in Saskatchewan.
 - Investigate the potential to market non-FFMC and underutilized species.

- Investigate the potential for value-added processing of Saskatchewan produced fish within the province.
- Investigate the potential for other specialty products - roe, leather, fish meal, etc.
- Investigate the potential of co-marketing of Saskatchewan processed fish with other northern grown edibles such as wild rice and/or mushrooms.

Based on the extent of the viable market opportunities identified, the strategy must first ensure there is a consistent and sustainable supply of fish.

Resource Supply/Access

- Assess what species and volume of each species is required in order to capture and consistently supply the identified markets.
- Assess requirements to supply the required amount and quality of fish.
 - Quota/conservation considerations
 - Commercial catch effort required and necessary adjustments (number of fishermen)
 - Contributing aquaculture production (*see New Technology*)
 - Integration of commercial and aquaculture production
 - Enhancing the productivity of provincial water bodies
- Assess how to achieve the desired commercial harvest levels with due consideration of the sport fishing industry, and in a manner that ensures sustainable fish population management in all provincial lakes.

Processing and Transportation Requirements

- Assess the type and optimum configuration for processing and packaging facilities required to access and consistently supply the identified markets. (*see New Technology*)
- Assess existing lake side facilities and future requirements. (*see Infrastructure*)
- Assess the most appropriate cost effective means of transporting fish from the dock to the processing facility and the most appropriate means of transporting fish from the processing facility to the market
- Assess the need for transportation equalization subsidies/payments to more remote commercial fishing sites. (*see Infrastructure*)

Based on the results of the above work, a comprehensive assessment can then be made of the supporting resources required to achieve the desired goals.

Support Resources Required

- Skills training needs. (*see Training*)
- Organizational skills development and improvement. (*see Training*)
- Research and development needs. (*see New Technology*)
 - technology improvements
 - aquaculture production
 - harvesting, processing and packaging equipment
- Financing and financial needs.
- Business planning and marketing skills needs (*see Business Planning, Promotion and Marketing*)
- Changes in other government policies and programs, if required.

Ecosystem Management Issues (*see Fish Resource Allocation*)

- Effective and representative co-operative management.
- Consideration of Yukon Umbrella Agreement model.
- Consideration of Fisheries Lake Management Agreement Pilot Project

It is clear that the development and implementation of this revitalization strategy will require the co-ordinated co-operation of a number of government departments and non-government agencies including the Saskatchewan Commercial Fishermen's Co-operative Federation Ltd., Saskatchewan Northern Affairs, Saskatchewan Environment and Resource Management, Saskatchewan Post-Secondary Education & Skills Training, Saskatchewan Economic & Co-operative Development, Saskatchewan Intergovernmental & Aboriginal Affairs, Saskatchewan Agriculture and Food, the Saskatchewan Research Council, the Freshwater Fish Marketing Corporation as well as other Aboriginal and Federal government organizations and departments. Equally important will be a willingness and commitment by each organization to dedicate the necessary monetary and human resources that will be required to successfully complete the endeavor.

Introduction to Options

In response to the key findings and recommendations of the November 1999 Trimension study on Saskatchewan's commercial fishery, SERM and SNA officials have identified the following possible initiatives for discussion with members of the Saskatchewan Commercial Fishermen's Co-operative Federation Ltd. (SCFCFL) and other commercial fishermen at the January 18 - 20 Commercial Fisheries Conference in La Ronge.

Implementation of any initiatives will be guided by SCFCFL and other commercial fishermen's priorities, and **is contingent upon** SERM and SNA successfully securing partnership expertise, leadership and funding from the private sector, Aboriginal organizations, and other provincial and federal departments and agencies.

The Saskatchewan Government is committed to working with the SCFCFL and other partners to create and realize a new vision for the commercial fishing industry which is modern, efficient, viable and profitable, providing benefits to Saskatchewan residents while sustaining the resource it is based upon.

This document is not a comprehensive strategic plan for the revitalization of the Saskatchewan commercial fishing industry. However, this paper does provide options to address a number of immediate and long term issues currently under discussion. The Saskatchewan Government looks forward to discussing these and other options for the future of the industry, at the January 18 - 20 Commercial Fisheries Conference in La Ronge.

To ensure the development of a co-ordinated vision for a revitalized commercial fishing industry in Saskatchewan and clear direction for any specific initiatives arising from this paper, provincial partners will focus on ensuring all actions are consistent with strategic direction provided by the *Northern Strategy* and Saskatchewan's *Fish and Wildlife Policy Framework*.

The Northern Strategy

Vision: "The people of northern Saskatchewan will possess the means to address the goals and aspirations they have for their communities, their families and themselves. With respect for northern people, their cultures and traditions, government will work as an active partner with communities, Aboriginal authorities, business and industry to promote the social and economic development of the North."

Northern Strategy Goals:

1. Developing a stronger and more diversified northern economy, creating jobs and business opportunities.
2. Enhancing community and regional infrastructure that will assist economic development and improve northern living conditions.
3. Strengthening education and training in the North, enabling Northerners to pursue further academic goals and to better compete in the labour market both in the north and beyond.

4. Increasing community self-reliance and enhancing Northerner's opportunities to participate in and provide leadership for northern institutions.
5. Increasing Northerners' participation in the protection of the natural environment of the North.

The Fish and Wildlife Policy Framework

Management Goals:

1. **Conservation** - To maintain or restore ecosystem health in Saskatchewan including the health of the fish and wildlife resources and their habitats.
2. **Status** - To monitor and assess the health of ecosystems in Saskatchewan including the condition of fish and wildlife resources and their habitats.
3. **Allocation** - To provide resource use opportunities that are ecologically, economically and socially sustainable.

Communications and Planning Tools

The Trimension Study identifies concerns resulting from reduced communication between the FFMC and commercial fishermen. A key finding is that relationships between major stakeholders and communications between FFMC and the fishermen need improvement. SERM and SNA will work co-operatively with commercial fishing representatives and FFMC to immediately establish the following tools to improve communications and long-term planning:

Option 1 <small>(short term)</small>	FFMC Representative in Saskatchewan - SERM and SNA will work with commercial fishing representatives to facilitate effective communications between the fishermen and FFMC.
Option 2 <small>(short term)</small>	Annual Workshop: SERM, SNA and FFMC will host an annual workshop open to all commercial fishermen to air concerns, discuss and resolve issues of mutual interest, exchange ideas on future opportunities, and promote a more positive working partnership. This initiative may also invite representation from other provincial and territorial members utilizing FFMC.
Option 3 <small>(short term)</small>	A Saskatchewan Commercial Fisheries Advisory Board: SERM and SNA will work with SCFCFL, other commercial fishermen and FFMC to create as soon as possible, a Saskatchewan advisory board to counsel the provincial and federal Ministers. The advisory board will provide advice regarding commercial fishing issues and opportunities and be representative of the East Side, West Side and Athabasca Basin regions in northern Saskatchewan, and southern Saskatchewan commercial fishermen.. This advisory board would also liaise with other provincial and territorial groups utilizing FFMC.

Business Planning, Promotion and Marketing

Business planning is an integral means to promote the credibility and the viability of the Saskatchewan commercial fishing industry. Business planning will be a requirement for successful applications to provincial and federal programs and funding initiatives that could assist implementation of potential initiatives outlined within this discussion paper. Business plans on an individual basis, or collective basis under the auspices of a commercial fishing co-operative, will be considered.

Promotion and marketing are important components of a comprehensive business plan approach.

Option 1 (short term)	SERM and SNA in partnership with Post-Secondary Education and Skills Training and SECD will provide training workshops for commercial fishing industry representatives (e.g. individual co-operatives, fish processors) on business planning and marketing strategy development.
Option 2 (short term)	SERM and SNA will work with SECD and the Saskatchewan Food Processors Association to determine the optimum application of the <i>Made in Saskatchewan</i> program for the commercial fishing industry. A number of Saskatchewan businesses have successfully used the "Made in Saskatchewan" slogan and protocols to enhance the exposure and sales of their products.
Option 3 (long term)	SERM and SNA in conjunction with other interested parties will support development of regionally-based commercial fishery business plans.

An example is already underway in the Athabasca region. The development of a business plan will complement SERM's strategic land-use planning initiatives, the *Black Lake Road Corridor Land Use Plan* and the *Representative Areas Network (RAN)* program. It is to be co-ordinated by a consortium of First Nations and Metis communities (*the Athabasca Economic Development and Training Corporation*) who are developing an application for funding to examine the feasibility of a revitalized Lake Athabasca commercial fishery, in conjunction with recently improved ground-based access into the region and the new business opportunities that might arise. This potential initiative could be considered for the Athabasca region on a pilot project basis to demonstrate improved integration between commercial and sport fishing interests in the co-operative management of the fishery resource.

New Technology

New technology involves two distinct considerations: Development and Application.

Development: Developing new technology is a combination of training, research, demonstration and manufacture. Involvement in identifying and adapting new technology provides Northern residents opportunities for education, training, business experience and employment.

a. Pilot Projects: The Government of Saskatchewan supports the concept of pilot projects and wishes to pursue their potential within the context of commercial fishing technology development. This will include research and development support subsequent to feasibility studies to determine cost effectiveness, efficiency and other sound business practices associated with the adoption and/or adaptation of new harvesting or processing technologies that could afford greater benefits for the industry.

Option 1 SERM and SNA will promote the use of trap nets to improve the industry's ability to fully utilize whitefish quotas and access other species, by avoiding the early take of game fish species. Commercial fishermen will be provided the opportunity to be trained in the use of Trap Nets. Over the next 5 years, these trained individuals can then work with local commercial fishing co-operatives to train other licenced commercial fishermen in the use of trap nets.

Option 2 Proposals, requesting funding from SNA's *Northern Development Fund*, for "seed money" to attract business partnerships and for funds to support research and development projects will be considered.

Application: Applications of currently known technologies to provide additional opportunities for commercial fishermen are as follows:

a. Fish Processing: Since FFMC centralized all processing activities to Winnipeg, Saskatchewan has lost virtually all of its fish processing capacity and the related employment, except for some small-scale private processing plants. Opportunities need to be pursued to re-develop processing ability in Saskatchewan and to examine the potential for new value-added products and their associated markets.

Option 1 SERM and SNA will take a more active role in working with the Freshwater Fish Marketing Corporation (FFMC) and DFO to strengthen communications with, and technology transfer to, the various commercial fishing co-operatives.

Option 2 SERM and SNA in partnership with SECD, SRC, and other agencies will investigate the viability of new value-added products and potential markets to enhance efficiency of utilization of sustainable stocks and diversification of the

sector. This will include utilization of what are currently waste products or underutilised rough fish species for marketable products such as fish leathers, liver-oils, proteins, niche-market specialty foods, etc. The use of fish offal and canola as an aquaculture food product will also be examined.

b. Efficiencies: Advancements in technology will provide industry with new efficiencies, thereby increasing viability and profit. Examples include Global Positioning Systems to determine locations, the use of trap nets which allow live release of non-target species, and the extension of existing transport technologies to new regions (e.g. road based transport into Athabasca region).

Option 1 SNA and SERM in conjunction with SRC, SECD and other agencies will consult with commercial fishermen to establish technology needs. Government will encourage independent research of new applicable technologies, transportation and equipment options, to determine their feasibility pertinent to the industry.

Infrastructure

Infrastructure includes assessing and improving current facilities, construction of new facilities and strengthening organizational structure.

Option 1 SNA and SERM, will assist the SCFCFL and other commercial fishermen to inventory the lakeside facilities and to plan and develop a co-ordinated infrastructure strategy. Construction of new facilities would be an industry responsibility with possible involvement from government funding agencies.

Option 2 SNA and SERM will enter into discussions with FFMC and the commercial fishing co-operatives to determine the best mechanism to generate SCFCFL funding (perhaps via dues collection) from the commercial fishing industry participants and support strengthening of the SCFCFL's capacity to provide leadership to the industry.

Training

The Trimension Study identified "training" as an area which had received considerable attention in the 1970s and which had fallen by the wayside in recent years. Training in the development and use of new and/or alternative technologies, fish handling, fish processing, safe food handling, biological fisheries assessment work, business skills, and aquaculture techniques are some of the major possibilities in this regard.

Training is required for those persons currently active in the commercial fishing industry and for those considering the industry in the future, particularly youth.

Assessment:

Training-needs identification and implementation strategies including the use of Aboriginal and other training institutions must be pursued and developed.

Option 1 SERM and SNA support industry's application for funding and assistance
(short term) provided through the Sector Partnership Program offered by Saskatchewan Post-Secondary Education and Skills Training.

Opportunities for Youth:

Field research and data collection related to the status of fish stocks and the potential for their enhancement for both the commercial and recreational fisheries is required.

Option 2 SERM and SNA, in partnership with Saskatchewan Post-Secondary
(short term) Education and Skills Training, will pursue development of a comprehensive summer-student employment initiative. The program will provide on-the-job training and experience for students enrolled in bio-sciences, resource management, aquaculture and other applicable areas. The program will be flexible, allowing multi-year participation with the objective of producing experienced Northern Saskatchewan technicians and professionals.

Opportunities for Commercial Fishermen:

Training for Saskatchewan people currently active in the commercial fishing industry or wishing to access associated employment or business opportunities must be developed and made accessible to Northern residents.

Option 3 SERM and SNA, in partnership with Saskatchewan Post-Secondary
(short term) Education and Skills Training, will develop a "Train the Trainer" program wherein Commercial Fishermen are trained in the use of new technologies and subsequently employed as teachers to other members of the industry.

Option 4 SERM will continue to build upon the ongoing working relationships with the commercial fishing industry including industry participation in fisheries data gathering, an important part of sustainable management of the resource.

Fish Resource Allocation

Issues continually arise regarding the allocation of fish harvesting opportunities between the various user groups. After conservation, fish stocks are allocated to Treaty and subsistence harvesting, followed by sport fishing, and then commercial use including tourist outfitting and commercial net fishing.

- Option 1 SERM and SNA will continue to build improved relationships developed through consultation processes with individual commercial fishing co-operatives, other stakeholder groups, and individuals. Consultation and improved communication and information sharing will remain a cornerstone of a healthy, vibrant industry.
(short term)
- Option 2 SERM, through a joint SOA-SERM working group, is currently developing a process that will identify lakes that are not being used by the outfitting industry. Some of these lakes may become available to commercial fishermen.
(short term)
- Option 3 SERM and SNA will engage commercial fishermen to identify the economic potential to convert some existing commercial fish quotas and licensing to outfitting operations, whereby increased economic opportunity may be realized by the former commercial fishing operator.
(short term)
- Option 4 SNA and SERM will continue to work with industry in developing efficiencies to provide optimum use of the fisheries resource. Conservation of the resource is the prime objective. Increased and equitable allocation of fisheries benefits for all Saskatchewan residents will also be pursued.
(short term)